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PLEASE REPLY TO NEW HAVEN

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February 18, 2015

Senator Joseph J. Crisco, Jr.  
State Representative Robert W. Megna  
& Members of the Insurance and Real Estate Committee  
Room 2800, Legislative Office Building  
Hartford, CT 06106

Re: HB-6735

*An Act Concerning The Provision Of A List Of Licensees That Perform Automotive Glass Work*

Dear Senator Crisco & Representative Megna:

Please accept this letter in opposition to Raised Bill 6735. I write in my capacity as legal counsel to the Auto Body Association of Connecticut (ABAC) to express our concerns with the proposed legislation. The bill is presumably being put forth as an effort to improve conditions for independent glass repair facilities – an endeavor we support completely. But, this particular bill does not advance that interest in the right way, nor effectuate the type of appropriate and meaningful change needed.

At the heart of our concerns is insurer steering of auto body and glass repair work, which remains a fundamental problem in the collision repair market. Steering was addressed by the legislature in 2008 when § 38a-354 was amended to require insurers to advise claimants that they had the right to choose the repair shop of their choice. This important reform was inspired by the prevalence of deceitful insurer steering and its adverse consequences on the motoring public. The law was a good first step toward taking insurer interference out of the collision repair process.

Insurance steering occurs because it helps insurance companies dictate repair processes, impose the use of junk parts, mandate faster cycle times and impose a myriad of cost cutting measures to minimize repair costs. Minimizing costs generally means fixing vehicles on the cheap and cutting corners on manufacturer recommendations.

Insurer interference in the repair process is something that requires oversight because most consumers are incapable of distinguishing between a quality safe repair, and a poor unsafe repair. This is true with auto body repairs and glass replacement. Insurer steering needlessly compromises consumer rights and safety. This very issue was recently highlighted by Anderson Cooper on CNN. I would encourage you to watch the video at: <http://www.cnn.com/videos/us/2015/02/12/ac-pkg-griffin-auto-insurance-scams.cnn>.

In addition to our overarching concerns about steering, we also have concerns about the basic design of the proposed legislation, which contemplates charging the Department of Motor Vehicles and Department of Consumer Protection with jointly compiling information on dealers and repairers. The statute does not address the criteria used to determine who gets put on the list; how frequently the list will be updated; how a repairer can challenge its inclusion or exclusion from the list; and so forth. Further, it is unclear how the state intends to finance the cost to implement this legislation. Finally, given the prevalence of access to the internet and internet based search engines, it begs the question why something like this is even necessary. Instead of attempting to design a complex system to essentially foster a new form of insurer steering, we should instead be working to promote a more simple system that allows consumers more access to information and an opportunity to make a genuine choice based on typical market forces (i.e. to choose a repair shop based on recommendations from friends and family, marketing, etc.).

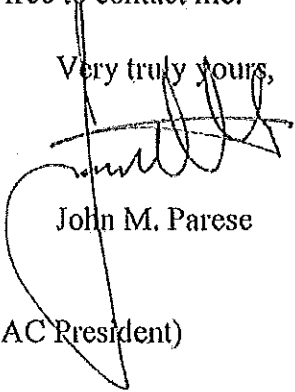
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The subject bill does not address the underlying problem of steering or the adverse consequences that accompany insurer involvement in repairs. As such, the ABAC must respectfully oppose this, and any legislation, that would advance or legitimize insurer involvement in a consumer's choice as to where to have his or her vehicle repaired. We know from decades of experience that when insurers get involved in steering repair work or glass claims, quality and safety are compromised. Just as insurers should not be dictating to physicians how to treat patients, insurers should not be dictating to licensed repairers how to fix vehicles. Sadly this is precisely what happens when auto body and glass repair networks are established.

The legislature should be doing everything possible to restore a proper balance and order to the collision repair market. In other words, implementing reforms that empower the respective professionals to do what they do best. In this case, that means empowering insurers to better underwrite risk and empowering repairers to better repair vehicles.

HB 6735 does not serve the better interest of consumers or the collision repair industry. Accordingly, on behalf of the ABAC, I respectfully write in opposition to this bill. Thank you, as always, for allowing me the opportunity to share my thoughts. If you should wish to discuss this in more detail, please feel free to contact me.

Very truly yours,



John M. Parese

c: Anthony Ferraiolo (ABAC President)